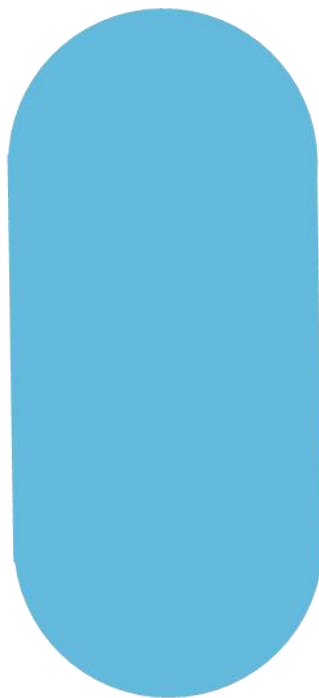


**Representations**

**Rugby Borough Local Plan Review –  
Regulation 18 Issues and Options Consultation**

**Submitted on behalf of Richborough**

**February 2024**





## 1. Introduction

1. The following representations are made in response to the Rugby Borough Local Plan Review (RBLPR) Regulation 18 Issues and Options Consultation document (October 2023). The representations are submitted to Rugby Borough Council (RBC) by Marrons on behalf of Richborough and relate to their land interests to the east of Rugby Road, Clifton upon Dunsmore.
2. These representations should be read alongside the accompanying supporting documents, namely:
  - a. A Vision Document, which considers the site and its context, constraints and opportunities and three masterplan options of different scales (nineteen47, February 2024).
  - b. Call-for-sites forms reflecting the three different masterplan options.
  - c. A Housing Needs Assessment review (Marrons, February 2024).

## 2. Summary

3. These representations explain the importance of planning for *at least* the Housing and Economic Development Needs Assessment (HEDNA) 2022 requirement, with necessary uplifts to account for unmet needs from Coventry, housing affordability and economic growth, consistent with National Planning Practice Guidance (NPPG).
4. In order to address the Borough's housing needs, the unique opportunities and benefits of further strategic growth at Clifton upon Dunsmore are demonstrated, with particular respect to land to the west of the settlement, closest to Rugby and other strategic development at Houlton. Richborough has a promotion agreement in place with the landowner and it is available for development.
5. Three masterplan options are presented for the Council's consideration, reflecting the extent of different allocations that RBC could make for the settlement in the RBLPR, dependant on the extent of local needs (a modest extension to Clifton upon Dunsmore of c. 150-180 homes through to a larger strategic option of c. 700 homes).



### 3. Response to consultation questions

#### Question 31. How many homes should we be planning for?

##### Summary

6. The Council should be planning for *at least* the HEDNA 2022 figure (735 dwellings per annum [dpa]) plus an uplift to account for unmet needs from Coventry (at least 14,122 dwellings 2021-2041), addressing a shortfall in affordable housing provision (which stands at 407dpa) and the need to sustain future economic growth (in particular, to support job growth of at least 875 jobs per annum).

##### Detailed justification

7. National Planning Practice Guidance (NPPG) requires local authorities to undertake an unconstrained assessment of housing need. This assessment must be completed before and entirely separate to considering the housing requirement.
8. Rugby's Local Plan Issues and Options asks how many homes the Draft Plan should be planning for, either the National Planning Policy Framework (NPPF) standard method minimum housing need (506dpa), the need determined by the 2022 Housing and Economic Development Needs Assessment (HEDNA, 735dpa), or another figure. The Draft Plan reduces the HEDNA figure to 672dpa based on the same approach but more recent information.
9. The HEDNA proposes a move away from the National Planning Policy Framework's (NPPF) standard method for calculating minimum housing need to a revised standard method calculation based on more recent demographic trends. This results in an increase from the standard method minimum (from 506 to 735dpa).
10. Marrons consider this approach to be a robust scenario to consider, but additional factors such as economic growth, affordable housing need, and unmet needs from Coventry must also be considered in the assessment in line with the December 2023 NPPF and NPPG.
11. The 2022 HEDNA concludes that 735dpa will accommodate forecast job growth based on a range of demographic modelling assumptions. Marrons agree with the assumptions used with the exception of the number of jobs used to determine economic-led housing need.



12. The 2022 HEDNA uses Cambridge Econometrics (CE) March 2021 baseline economic growth forecast. However the forecast was prepared during the COVID-19 lockdown and the economic situation in the UK at the time was extremely difficult to predict. The forecast used by the HEDNA therefore needs to be updated.
13. Furthermore, the CE forecast used in the HEDNA forecasts 365 jobs per annum (jpa) in Rugby, 2022-2043. This compares with actual job growth of 875 jpa experienced between 2011 and 2019, suggesting that the forecasts prepared during COVID were significantly suppressed.
14. The CE forecasts were also based on 3.6% GDP in 2021 and a 2.8% increase in GDP in 2022. Reference to the ONS' December 2023 GDP monthly estimate report states how GDP grew by 4.3% in 2022, following growth of 8.7% in 2021.
15. Marrons also question whether the future economic potential of employment sites in Rugby are considered by the CE baseline forecasts in the HEDNA.
16. We would also recommend cross-referencing CE forecasts with Oxford Economics and Experian Economics job growth forecasts to ensure a robust job growth forecast is being used across a range of forecasting houses.
17. The 2022 HEDNA describes affordable housing need in Rugby as “*notable*” and states that provision of new affordable housing is an “*important and pressing issue in the area*”.
18. Net affordable housing provision 2011-2023 in Rugby has been 11.9% of overall housing delivery.
19. Against need of 171 affordable dwellings per annum (dpa) 2011-2021, and 407 affordable dpa 2021-2023, a shortfall of 1,581 affordable dwellings is evident in Rugby. Only 37% of need has been delivered 2011-2023.
20. Overall housing need in Rugby would have to be 3,420 dpa to deliver affordable housing need (407 dpa) in full based on the level of net affordable delivery (11.9%) since 2011.
21. The pressure for affordable housing delivery is emphasised by the sharp increase in households on the Council's waiting list since 2020: in 2020 there were 394 households on the waiting list but as at 2023 this is now 646 households. Full details are provided in Table 5.5 of the Housing Need Report which is appended (Marrons,



January 2024). This is within the context of a median affordability ratio of 7.17 house prices to average household earnings.

22. The revised December 2023 NPPF states “authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period” (our emphasis).
23. Rugby lies with the Coventry & Warwickshire Housing Market Area (HMA) with five other local authorities including Coventry who established unmet need of at least 17,800 homes 2011-2031 in their Adopted Local Plan.
24. Coventry are currently reviewing their Local Plan and Marrons consider unmet need is at least 14,122 dwellings for the period 2021-2041
25. The number of migrants (2,876) from Coventry to Rugby was the third highest of the five HMA local authorities in the three years prior to the Covid pandemic (2017-2020) and 66% of these migrants were in the age group most likely to be first time buyers and/or young families. The assessment of housing need should also take this into account in line with NPPF and NPPG.
26. Consideration of the above factors means unconstrained housing need is likely to be significantly higher than the HEDNA’s 735dpa, which should be considered the very minimum.
27. Further justification and detail underpinning the above figures is provided in the enclosed Housing Needs Assessment (Marrons, January 2024).

**Question 33. Please provide any comments you have on the suitability of any of the broad locations listed above for new housing. Are there any locations that we have missed?**

### **Summary**

28. Clifton upon Dunsmore is supported as a broad location for growth, as a highly sustainable and accessible location for strategic growth given its close proximity to Rugby. Land west of the settlement, east of Rugby Road, on land controlled by Richborough has particular benefits in planning terms, as explained in these representations and as supported by the enclosed Vision Document (nineteen47, January 2024). This land should be specifically allocated for development as part of



the RBLPR. In doing so, it is important to note that Clifton upon Dunsmore did not take strategic allocations in the previous review of the plan, so it is a location that is now well-placed to meet the Borough's needs looking ahead.

### **Detailed justification**

29. Clifton upon Dunsmore is rightly identified as a broad location for strategic growth, and this is supported by Richborough. Clifton upon Dunsmore is a uniquely sustainable and accessible location given its proximity to Rugby and existing strategic development taking place at Houlton. In particular, the settlement lies close to Rugby town, Rugby train station and Butlers Leap strategically significant employment area. As a 'Main Rural Settlement' it is second in the Borough's settlement hierarchy (Policy GP2: Settlement Hierarchy, 2019 Local Plan).
30. As well as its sustainable location, Clifton upon Dunsmore lies outside of the Green Belt, reducing the pressure to release more valued Green Belt land in the Borough, in the context of the exceptional circumstances for Green Belt land release under national planning policy.
31. The most accessible and sustainable part of Clifton upon Dunsmore is to the west of the settlement, off Rugby Road, lying closest to Rugby and also well-related to Clifton upon Dunsmore itself, comprising a 14.4ha Site under Richborough's control. This Site is within 2km of Rugby train station (just a 20-30 minute walk / 10-minute cycle journey), and just 600m from Butlers Leap Industrial Estate.
32. The Site adjoins Rugby Road, which is a key public transport route into the town (Services 9 and L1 providing regular bus services into Rugby from Newhall Close).
33. The Site's allocation would complement recently constructed strategic infrastructure at Houlton Way, where sustainable links to Houlton can also be explored.
34. The Scheme and options presented in the enclosed Vision document provide opportunities which will benefit the existing community of Clifton upon Dunsmore. This includes, for example, the provision of land for expanded playing fields, as well as land for the provision of a new primary school.
35. The enclosed plans also demonstrate how a landscape and environmentally-led masterplan can be realised, delivering new public open space, sustainable urban drainage and a net gain in habitats for wildlife.



36. The extent of the land under Richborough’s control presents different options which they are keen to explore with the local community and key stakeholders: a modest extension to the existing settlement (c. 180-190 homes), a medium scale extension to the settlement (c. 340 homes) or a more strategic-scale solution to support the wider needs of the Borough (c. 700 homes, including land for a new primary school).

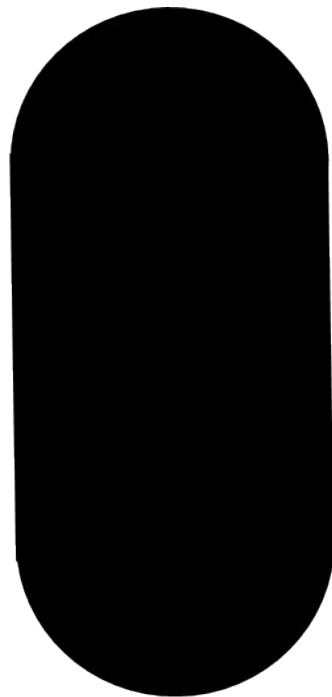
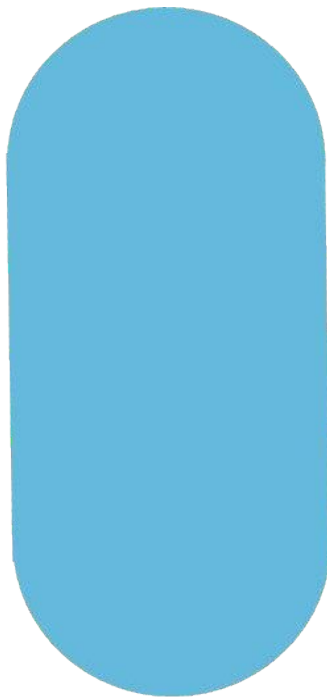
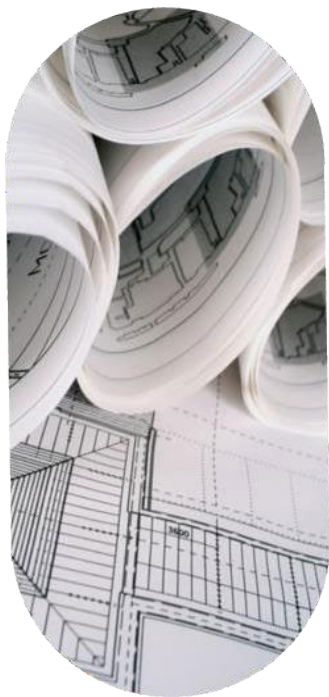


 Part of Shakespeare Martineau

# RUGBY HOUSING NEED EVIDENCE BASE REVIEW

PREPARED ON BEHALF OF RICHBOROUGH ESTATES  
LIMITED

FEBRUARY 2024









---

## CONTENTS

Executive Summary	
1. Introduction .....	1
2. National Planning Policy & Guidance .....	2
3. Local Planning Policy .....	7
4. Housing Need Evidence Base Review .....	9
5. Affordable Housing Need and Past Delivery Analysis .....	15
6. Coventry's Unmet Housing Need .....	22
7. Summary, Conclusions, and Way Forward .....	26



## EXECUTIVE SUMMARY

- i. Planning Practice Guidance (PPG) requires local authorities to undertake an **unconstrained** assessment of housing **need**. This assessment must be completed **before** and entirely **separate** to considering the housing **requirement**.
  - ii. Rugby's Local Plan Issues and Options (the Draft Plan) asks how many homes the Draft Plan should be planning for, either the National Planning Policy Framework (NPPF) standard method minimum housing need (506 dwellings per annum – dpa), the need determined by the 2022 Housing and Economic Development Needs Assessment (HEDNA, 735 dpa), or another figure. The Draft Plan reduces the HEDNA figure to 672 dpa based on the same approach but more recent information.
  - iii. The HEDNA proposes a move away from the National Planning Policy Framework's (NPPF) standard method for calculating **minimum** housing need to a revised standard method calculation based on more recent demographic trends. This results in an *increase* from the standard method minimum (from 506 to 735 dpa).
  - iv. Marrons consider this approach to be a robust scenario to consider, but additional factors such as economic growth, affordable housing need, and unmet needs from Coventry must also be considered in the assessment in line with the December 2023 NPPF and PPG.
  - v. The 2022 HEDNA concludes that 735 dpa will accommodate forecast job growth based on a range of demographic modelling assumptions. Marrons agree with the assumptions used with the exception of the number of jobs used to determine economic-led housing need.
  - vi. The 2022 HEDNA uses Cambridge Econometrics (CE) March 2021 **baseline** economic growth forecast. However the forecast was prepared during the COVID-19 lockdown and the economic situation in the UK at the time was extremely difficult to predict. The forecast used by the HEDNA therefore needs to be updated.
  - vii. Furthermore, the CE forecast used in the HEDNA forecasts 365 jobs per annum (jpa) in Rugby, 2022-2043. This compares with actual job growth of 875 jpa experienced between 2011 and 2019, suggesting that the forecasts prepared during COVID were significantly suppressed.
  - viii. The CE forecasts were also based on 3.6% GDP in 2021 and a 2.8% increase in GDP in 2022. Reference to the ONS' December 2023 GDP monthly estimate report states how GDP grew by 4.3% in 2022, following growth of 8.7% in 2021.
-

- ix. Marrons also question whether the future economic potential of employment sites in Rugby are considered by the CE baseline forecasts in the HEDNA.
  - x. We would also recommend cross-referencing CE forecasts with Oxford Economics and Experian Economics job growth forecasts to ensure a robust job growth forecast is being used across a range of forecasting houses.
  - xi. The 2022 HEDNA describes affordable housing need in Rugby as “*notable*” and states that provision of new affordable housing is an “*important and pressing issue in the area*”.
  - xii. Net affordable housing provision 2011-2023 in Rugby has been 11.9% of overall delivery.
  - xiii. Against need of 171 affordable dwellings per annum (dpa) 2011-2021, and 407 affordable dpa 2021-2023, a shortfall of 1,581 affordable dwellings are evident in Rugby. Only 37% of need has been delivered 2011-2023.
  - xiv. Overall housing need in Rugby would have to be 3,420 dpa to deliver affordable housing need (407 dpa) in full based on the level of net affordable delivery (11.9%) since 2011.
  - xv. The pressure for affordable housing delivery is emphasised by the sharp increase in households on the Council’s waiting list since 2020.
  - xvi. The revised December 2023 NPPF states “*authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period*” (our emphasis).
  - xvii. Rugby lies with the Coventry & Warwickshire Housing Market Area (HMA) with five other local authorities including Coventry who established unmet need of *at least* 17,800 homes 2011-2031 in their Adopted Local Plan.
  - xviii. Coventry are currently reviewing their Local Plan and Marrons consider unmet need is *at least* 14,122 dwellings 2021-2041
  - xix. The number of migrants (2,876) from Coventry to Rugby was the third highest of the five HMA local authorities in the three years prior to the Covid pandemic (2017-2020) and 66% of these migrants were in the age group most likely to be first time buyers and/or young families. The assessment of housing need should also take this into account in line with NPPF and PPG.
  - xx. Consideration of the above factors means unconstrained housing need is likely to be significantly higher than the HEDNA’s 735 dpa, which should be considered the very minimum.
-

---

## 1. INTRODUCTION

- 1.1 This Technical Report has been prepared by Marrons National Socio Economics Team on behalf of Richborough Estates.
- 1.2 The objective of the report is to determine whether the level of housing need recommended in the Rugby Borough Local Plan Issues and Options (the Draft Plan) and its accompanying evidence base follows a methodology which complies with the requirements of the December 2023 National Planning Policy Framework (NPPF) and the accompanying Planning Practice Guidance (PPG) for Housing and Economic Needs Assessments (HENA).
- 1.3 The Draft Plan is informed by the Coventry & Warwickshire Housing & Economic Development Needs Assessment (HEDNA, November 2022). The HEDNA considers a range of factors which affect the calculation of housing need, and recommend the Draft Plan is based on housing need of 735 dwellings per annum (dpa).<sup>1</sup>
- 1.4 This is higher than the NPPF's standard method calculation of minimum housing need, which at the time of the HEDNA's publication was 516 dpa.
- 1.5 However notwithstanding the HEDNA concluding that housing need is 735 dpa, the Draft Plan is based on 620 dpa which is over 100 dpa *lower* than the 2022 HEDNA's conclusions.<sup>2</sup>
- 1.6 The PPG's HENA section is very clear that the assessment of housing *need* should be unconstrained and undertaken prior to and independently from the determination of a housing *requirement*.
- 1.7 In this context, the technical report presented here considers whether 735 dpa for Rugby Borough represents *unconstrained* housing need, or whether other factors suggest that this figure could be higher.
- 1.8 The following section of this report summarises the process of establishing housing need set out by the December 2023 NPPF and its supporting Planning Practice Guidance (PPG).

---

<sup>1</sup> Table 15.1, page 330, Coventry & Warwickshire Housing & Economic Development Needs Assessment, November 2022

<sup>2</sup> Paragraph 9.18, page 50, Rugby Borough Local Plan Issues and Options: October 2023



## 2. NATIONAL PLANNING POLICY & GUIDANCE CONTEXT

### Introduction

- 2.1 The policy and guidance which should be considered when assessing the housing need for local authorities is set out in the December 2023 National Planning Policy Framework (NPPF) and its accompanying Planning Practice Guidance (PPG).
- 2.2 In this section we consider the NPPF and PPG in the context of housing need.

### National Planning Policy Framework (NPPF, December 2023)

- 2.3 The NPPF was revised in December 2023. Amongst the amendments made in its revisions was the wording regarding housing need and how it is established. The NPPF now reads as follows:

**“To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance. The outcome of the standard method is an advisory starting-point for establishing a housing requirement for the area (see paragraph 67 below). There may be exceptional circumstances, including relating to the particular demographic characteristics of an area which justify an alternative approach to assessing housing need; in which case the alternative approach should also reflect current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.”**<sup>3</sup> (Our emphasis)

- 2.4 The NPPF is clear that the standard method set out in its supporting PPG provides the minimum number of homes needed, but the December 2023 revisions have now made the standard method an ‘advisory’ starting point.
- 2.5 However it is important to note how ‘exceptional circumstances’ need to be shown to justify an alternative approach to the standard method. Crucially as the PPG states (summarised below), it is only for a housing need figure which is *lower* than standard method for which ‘exceptional’ justification needs to be shown. A higher figure is not as rigorously tested.
- 2.6 The NPPF also states the following:

**“Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas)**

---

<sup>3</sup> Paragraph 61, NPPF, 2021



**can be met over the plan period. The requirement may be higher than the identified housing need, if it includes provision for neighbouring areas, or reflects growth ambitions linked to economic development or infrastructure investment.**<sup>4</sup> (Our emphasis)

2.7 This is important because it will be the first time since the Standard Method calculation of housing need was introduced in the NPPF in 2019 that reasons as to why a housing requirement may *exceed* the Standard Method have been explicitly stated in the NPPF and not just in the PPG. Clear reasons are therefore highlighted for why housing need might exceed the standard method calculation.

2.8 Paragraph 62 also addresses the issue of unmet need, stating the following:

**“The standard method incorporates an uplift which applies to certain cities and urban centres, as set out in national planning guidance. This uplift should be accommodated within those cities and urban centres themselves except where there are voluntary cross boundary redistribution agreements in place, or where it would conflict with the policies in this Framework.”**

2.9 This indicates that unmet need from cities which are subject to the 35% cities uplift in need could be provided in neighbouring authorities. This is important considering Rugby’s position immediately east of Coventry city.

### **Planning Practice Guidance (PPG)**

2.10 The method by which housing need should be established, and an explanation of the ‘Standard Method’ (SM) referred to in the NPPF is set out in detail in the Housing & Economic Needs Assessment (HENA) section of PPG.

2.11 At the outset the PPG states, “*Housing need is an **unconstrained** assessment of the number of homes needed in an area*” and goes on to state “*Assessing housing need is the **first step** in the process of deciding how many homes need to be planned for. It should be undertaken **separately** from assessing land availability, **establishing a housing requirement** figure and preparing policies to address this such as site allocations.*”<sup>5</sup> (Our emphasis).

2.12 The PPG is very clear that the assessment of **need** should be unconstrained and is an entirely separate exercise from establishing the housing **requirement**.

<sup>4</sup> Paragraph 67, NPPF, 2021

<sup>5</sup> Paragraph ID:2a-001, PPG, 2019

- 2.13 The PPG then moves on to explain what the SM provides. It states *“The standard method uses a formula to identify the **minimum** number of homes expected to be planned for. The standard method...identifies a **minimum** annual housing need figure. It **does not** produce a housing requirement figure.”*<sup>6</sup> (Our emphasis).
- 2.14 This section emphasises how the SM provides the **minimum** housing need figure and highlights how the SM does not produce a housing requirement figure. A separate part of PPG addresses housing requirement.
- 2.15 The PPG also makes a very clear distinction as to the tests which will be applied if local authorities seek to justify housing need higher or lower than the SM minimum.
- 2.16 In respect of a housing need figure **lower** than the standard method minimum, the PPG states *“where an alternative approach results in a **lower** housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are **exceptional local circumstances** that justify deviating from the standard method. This will be tested at examination.”*<sup>7</sup> (Our emphasis).
- 2.17 In contrast, in terms of establishing housing need which is **above** the Standard Method, PPG states *“Where a strategic policy-making authority can show that an alternative approach identifies a need **higher** than using the standard method, and that it adequately reflects current and future demographic trends and market signals, **the approach can be considered sound** as it will have exceeded the minimum starting point.”*<sup>8</sup> (Our emphasis).
- 2.18 Having established that SM represents minimum need, and that actual housing need may be higher, the PPG moves to discuss when it might be appropriate to plan for a higher housing need figure than the SM indicates.
- 2.19 PPG therefore states that *“there will be **circumstances** where it is appropriate to consider whether actual housing need is **higher** than the standard method indicates.”*<sup>9</sup> (Our emphasis)
- 2.20 In discussing these circumstances PPG reiterates how the standard method only represents **minimum** need, stating *“The government is committed to ensuring that more homes are built and*

---

<sup>6</sup> Paragraph ID:2a-001, PPG, 2019

<sup>7</sup> Paragraph ID:2a-015, PPG, 2019

<sup>8</sup> Paragraph ID:2a-015, PPG, 2019

<sup>9</sup> Paragraph ID:2a-010, PPG, 2019

*supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a **minimum starting point** in determining the number of homes needed in an area. **It does not attempt** to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.”<sup>10</sup> (Our emphasis)*

2.21 The PPG then moves on to discuss what circumstances might lead to an increase in housing need, but confirms at the outset that the circumstances it refers to are not exhaustive and there may be other reasons as to why overall housing need exceeds the Standard Method’s minimum calculation:

**“Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:**

- **growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g., Housing Deals);**
- **strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or**
- **an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;**

**There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities are encouraged to make as much use as possible of previously-developed or brownfield land, and therefore cities and urban centres, not only those subject to the cities and urban centres uplift may strive to plan for more homes. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.”<sup>11</sup> (Our emphasis)**

2.22 The delivery of much needed affordable housing can also have an impact on the assessment of overall need. In this respect the Planning Practice Guidance (PPG) states *“An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.”<sup>12</sup>*

2.23 The PPG also reiterates that this assessment of need is separate to the process of establishing a housing requirement, stating that the circumstances which may lead to a higher need figure *“will need to be assessed **prior to, and separate from**, considering how much of the overall need can*

<sup>10</sup> Paragraph ID:2a-010, PPG, 2019

<sup>11</sup> Ibid

<sup>12</sup> Paragraph ID2a:024, PPG, 2019

*be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan)* <sup>13</sup> (Our emphasis).

## Summary

- 2.24 Therefore, to summarise, the December 2023 revisions to the NPPF state how the SM provides an advisory starting point for establishing a housing requirement for the area. However the revised NPPF maintains the test of ‘exceptional’ circumstances to warrant a need figure which is lower than SM.
- 2.25 The revised NPPF also introduces reasons as to why housing need might exceed the SM (i.e., for economic growth or to provide for neighbouring areas). This is the first time these reasons have been explained in NPPF.
- 2.26 Consideration must be given to whether other circumstances warrant an increase to the minimum need, and in this context and to comply with PPG the assessment of need must be **unconstrained**.
- 2.27 Furthermore the PPG emphasises throughout how the assessment of **need** must be carried out separately and prior to the determination of a housing **requirement**.
- 2.28 Furthermore, the PPG refers to **exceptional circumstances** being required to justify housing need which is **below** the Standard Method minimum.
- 2.29 In contrast the PPG states how a **range of circumstances** may justify the determination of housing need which *exceeds* the SM minimum, and that an assessment of need which establishes a figure which is higher than the SM minimum will be considered sound if it *“adequately reflects current and future demographic trends and market signals.”*
- 2.30 It is therefore important to consider whether any factors justify an increase in the SM minimum when determining housing need.

---

<sup>13</sup> Paragraph ID:2a-010, PPG, 2019



## 3.0 LOCAL PLANNING POLICY

### Introduction

- 3.1 The previous section of this report outlined the national policy and guidance context for determining housing need.
- 3.2 This section considers how the planning policies currently being consulted on by Rugby align with these strategies and aspirations.

### Rugby Borough Local Plan Issues and Options, October 2023 (Draft Plan)

- 3.3 The Draft Plan currently being consulted on will plan for either the 2021-2041 or 2021-2050 period.
- 3.4 In the 'Land for Housebuilding' section, the Draft Plan states the following:

**“The HEDNA’s 2021-2041 annual housing need figure for Rugby Borough was 735 homes per year using 2021 affordability data. This number could be recalculated using the latest 2022 affordability data and a 2023 base date, which would reduce the figure to 672 homes per year.”<sup>14</sup>**

- 3.5 The Draft Plan goes on to state the following:

**“The current plan seeks to accommodate 620 new homes a year as an average across the plan period. This is higher than housing need of 506 new homes a year calculated using the government’s standard method, but lower than HEDNA 2022 need of 735 new homes a year.”<sup>15</sup>**

- 3.6 In this context the Draft Plan asks the following consultation question:

**“How many homes should we be planning for?”**

- a) Minimum local housing need;**
- b) The HEDNA 2022 need;**
- c) Other (please specify).<sup>16</sup>**

- 3.7 We consider this question later in this report.

---

<sup>14</sup> Paragraph 9.9, page 48, Rugby Borough Local Plan Issues and Options, October 2023

<sup>15</sup> Paragraph 9.18, page 50, Rugby Borough Local Plan Issues and Options, October 2023

<sup>16</sup> Paragraph 9.18, page 50, Rugby Borough Local Plan Issues and Options, October 2023

## **Summary**

- 3.8 In summary this section of our report highlights how Rugby Borough Council (RBC) have resolved to Plan on the basis of delivering 672 dpa, a figure which exceeds the Standard Method minimum but is lower than the recommendation of the most recent evidence (735 dpa).
- 3.9 In the following section of this report we consider the Council's evidence base for reaching their conclusions on housing need.

## 4. HOUSING NEED EVIDENCE BASE REVIEW

### Introduction

4.1 In this section we provide a review of the evidence base which underpins the levels of housing need put forward in the Draft Plan. This evidence is mainly set out in the November 2022 Coventry & Warwickshire Housing & Economic Development Needs Assessment (HEDNA), and we therefore consider the robustness of its methodology for determining housing need in Rugby in the context of the National Planning Policy Framework (NPPF) and the methodology for assessing housing need in the Planning Practice Guidance (PPG).

### Coventry & Warwickshire Housing & Economic Development Needs Assessment (HEDNA, 2022)

#### Introduction

- 4.2 The 2022 HEDNA represents the most recent published evidence by Rugby and those of the wider housing market area in respect of the need for housing and employment land. As the authors state, *“the HEDNA is intended to provide a joint and integrated assessment of the need for housing, economic growth potential and employment land.”*<sup>17</sup>
- 4.3 The technical report prepared by Marrons here focusses on the assessment of housing need, and whether the PPG requirement to assess unconstrained housing need has been complied with for Rugby.
- 4.4 The HEDNA was delayed to enable its authors to consider 2021 Census data and how this affected the calculation of housing need. The Office for National Statistics (ONS) began releasing 2021 Census data during 2022 and this has enabled the HEDNA to assess population growth across the HMA against historic projections and the assumptions those projection were underpinned by.
- 4.5 This is important because the NPPF’s existing standard method for calculating **minimum** housing need for local authorities is underpinned by the 2014-based ONS Sub National Population Projections (SNPP) which have subsequently been superseded by 2016 and 2018-based projections.
- 4.6 The 2014-based projections have been retained however to ensure that the **minimum** housing need remains capable of delivering the Government’s pledge of building 300,000 homes per annum by the mid-2020s.

---

<sup>17</sup> Paragraph 1.12, page 1, Coventry & Warwickshire Housing & Economic Development Needs Assessment, November 2022



- 4.7 This exercise has led the HEDNA to conclude that the population of Coventry had been **over-**estimated by ONS in historic Mid-Year Population Estimates (MYPEs) and therefore in population projections.
- 4.8 In contrast the HEDNA has concluded that the ONS MYPEs and projections **under-**estimated population growth in Rugby, Stratford-on-Avon and Warwick, a factor which results in revised population projections which are higher for all three authorities.
- 4.9 In this context, the NPPF's Standard Method (based on 2014-based population projections) results in housing need of 506 dwellings per annum (dpa) for Rugby.
- 4.10 However revised Standard Method calculations based on the higher population growth recorded by the 2021 Census means housing need increases to 735 dpa for Rugby, and is reduced down to 672 dpa if the HEDNA's approach is followed with more recent 2023 affordability ratios.

#### Deviating from the Standard Method calculation

- 4.11 It is within local authorities' gift to present a housing need figure which is higher or lower than the standard method calculation. However, it is imperative to highlight PPG's contrasting approaches for testing a housing need figure which is higher or lower than the SM minimum.
- 4.12 In short, PPG explains 'circumstances' must exist supporting a higher figure, whereas '**exceptional** circumstances' must exist for a lower figure. There is a clear difference in the test when an alternative housing need figure is presented.
- 4.13 PPG (ID2a-015) confirms a need figure lower than the SM minimum must be supported by "*robust evidence*" and "*realistic assumptions of demographic growth*". This must show "*exceptional local circumstances*" exist to justify the lower figure. This evidence will then be "*tested at examination.*"
- 4.14 In contrast, PPG (ID2a-015) states that a higher figure "*can be considered sound*" providing it "*adequately reflects current and future demographic trends and market signals.*"
- 4.15 PPG's testing of a lower figure is clearly more rigorous than a higher figure, and as we have identified in section 2 of this report this is emphasised further by PPG listing a range of circumstances whereby housing need can exceed the Standard Method.
- 4.16 The HEDNA's conclusions in respect of Rugby should therefore be considered 'sound' as referenced in PPG.

## Economic Growth and Housing Need

- 4.17 The NPPF is clear that a lack of housing should not create a barrier to investment and economic growth.<sup>18</sup> In this context the December 2023 revisions to the NPPF are the first to state how economic growth could necessitate an increase to housing need by stating *“the requirement may be higher than the identified housing need if, for example, it includes provision for neighbouring areas, or reflects growth ambitions linked to economic development or infrastructure investment.”*<sup>19</sup>
- 4.18 PPG also identifies how economic growth could be one of the circumstances which justifies a higher level of housing need than the standard method minimum calculation.
- 4.19 The HEDNA considers this in sections six and seven, and concludes that the revised standard method discussed above (resulting in 735 dpa for Rugby) would support future job growth, and a further increase would not be required.
- 4.20 Marrons have reviewed the various assumptions which have to be used in order to determine economic-led housing need through demographic forecasting, and we agree with the broad methodological approach used in the HEDNA.
- 4.21 The HEDNA applies economic activity rates drawn from the Office for Budget Responsibility (OBR) 2018-based forecasts, and the HEDNA uses 2011 Census commuting ratios (in the absence of 2021 commuting ratios which are yet to be published) alongside a sensitivity scenario of 1:1 commuting (i.e., the same number of people commuting out of the area as commuting in). Other assumptions relate to double-jobbing, unemployment, and household formation rates, which we consider to be robust.
- 4.22 However, the job growth forecasts used to assess economic-led need provide some concern. The HEDNA states that *“the local area baseline projections are developed based on CE’s March 2021 UK and regional forecast.”*<sup>20</sup>
- 4.23 Whilst the HEDNA was published in late 2022, the forecasts were prepared in early 2021 when the Country was in the grip of the Covid-19 Pandemic and assumptions about the future were less certain.
- 4.24 Despite the HEDNA being published in late 2022, the commentary which accompanies discussion of the CE forecasts in the HEDNA appears to date from early 2021. This appears to be the case because

---

<sup>18</sup> Paragraph 86 (c), National Planning Policy Framework, December 2023

<sup>19</sup> Paragraph 67, National Planning Policy Framework, December 2023

<sup>20</sup> Paragraph 6.3, page 131, Coventry & Warwickshire Housing & Economic Development Needs Assessment, November 2022

of statements referring to end of lockdown, such as *“It is assumed that lockdown and social distancing measures will follow the Government’s envisaged ‘road map’, with lockdown formally ending in late-March 2021”*<sup>21</sup> and *“Despite the opening up of the UK economy in 2021 Q2, persistent economic scarring and a muted economic recovery in 2021/2022 is expected.”*<sup>22</sup>

- 4.25 Indeed the HEDNA states how *“the central assumption of the forecast is a 3.6% increase in GDP in 2021 and a 2.8% increase in GDP in 2022.”* However reference to the ONS’ December 2023 GDP monthly estimate report states how GDP is estimated to have grown by 4.3% in 2022, following growth of 8.7% in 2021.<sup>23</sup>
- 4.26 The HEDNA’s CE forecasts would have therefore been based on much lower *predicted* levels of GDP than has subsequently been experienced.
- 4.27 Furthermore we would recommend cross-referencing CE forecasts with forecasts from Oxford Economics and/or Experian Economics.
- 4.28 Notwithstanding the above, the forecasts used in the HEDNA show growth of 7,684 jobs 2022-2043 (365 jobs per annum) for Rugby.
- 4.29 This should be considered in the context of past job growth in both authorities reported in Table 2.7 of the HEDNA. This shows growth of 7,000 jobs 2011-2019 in Rugby (875 jobs per annum).
- 4.30 Past trends 2011-2019 therefore show significantly higher job growth (per annum) across Rugby than is being assumed over the Draft Plan period (whichever period is decided on). The growth experienced over this period was therefore 140% higher than what is being assumed going forward in Rugby.
- 4.31 The HEDNA also states the following in terms of the local area baseline projections used to determine economic-led housing need:

**“The local area baseline projections are based on historical growth in the local area (i.e. the relevant local authority) relative to the region (West Midlands) or UK (depending on which area it has the strongest relationship with), on a sector-by-sector basis. They assume that those relationships continue into the future.”**<sup>24</sup>

<sup>21</sup> Paragraph 6.4, page 131, Coventry & Warwickshire Housing & Economic Development Needs Assessment, November 2022

<sup>22</sup> Paragraph 6.5, page 131, Coventry & Warwickshire Housing & Economic Development Needs Assessment, November 2022

<sup>23</sup> Table 6, GDP quarterly national accounts, UK: July to September 2023, 22 December 2023

<sup>24</sup> Paragraph 6.8, page 131, Coventry & Warwickshire Housing & Economic Development Needs Assessment, November 2022

- 4.32 It is therefore considered questionable whether the future economic potential of Rugby has been fully considered, particularly in the context of the Draft Plan stating, *“It is the Council’s expectation that the Economic Strategy will support the expansion of manufacturing, research and development employment land. Therefore, additional site allocations are likely to be necessary to enable this need to be met and for Rugby to continue to be able to attract the next generation of these skilled businesses and jobs.”*<sup>25</sup>
- 4.33 Furthermore the Draft Plan also states how *“It is yet to be decided whether Coventry City Council will be able to meet its own need for industrial land and, if not, where any unmet need will be met.”*<sup>26</sup>
- 4.34 Further justification to show that economic growth above and beyond the baseline job growth forecasts, and any unmet need from Coventry, is needed to ensure the assessment of economic-led housing need is robust.

#### Affordable housing need

- 4.35 As PPG identifies, *“An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.”* It is therefore essential to understand past affordable housing delivery and what the need for affordable housing is in the future. This must also be considered in the context of overall housing need for all tenures.
- 4.36 The HEDNA determines net annual affordable housing need to be 407 dwellings in Rugby. This represents a significant proportion (61%) of the overall housing need figure being taken forward by the Council (672 dpa).
- 4.37 The position set out in the HEDNA should also be considered in the context of past delivery, and losses to affordable housing.
- 4.38 In the following section of this report we provide a more detailed review of the affordable housing position in Rugby.

#### **Summary**

- 4.39 In summary the following key points are as follows:

---

<sup>25</sup> Paragraph 3.21, page 13, Rugby Borough Local Plan Issues and Options, October 2023

<sup>26</sup> Paragraph 3.32, page 14, Rugby Borough Local Plan Issues and Options, October 2023

- The revised December 2023 NPPF states how “*planning policies should seek to address potential barriers to investment, such as inadequate housing*”<sup>27</sup> and is clear that housing need could be higher than the standard method owing to economic growth ambitions and unmet need from neighbouring authorities.<sup>28</sup>
- Furthermore, PPG identifies how a housing need figure *higher* than the Standard Method minimum won’t be subject to the same scrutiny as a *lower* figure;
- The revised Standard Method scenario for Rugby appears to be based on robust assumptions;
- Marrons consider the job growth assumptions of the HEDNA need updating for several reasons;
  - The assumed level of job growth in the HEDNA is based on an outdated job growth forecast generated during severe lockdown measures in the UK;
  - Assumed GDP informing the HEDNA’s job growth forecasts has now been shown to be an underestimate of growth;
  - Job growth between 2011 and 2019 was 140% higher than is projected for the future;
  - It is unclear from the HEDNA whether the economic growth potential of sites in Rugby are taken account of by the CE baseline projections;
- Affordable housing need is 74% of the overall need for housing determined by the HEDNA.

4.40 Having considered the HEDNA and having identified some of the weaknesses in the evidence, the following section of our report focusses on affordable housing need.

---

<sup>27</sup> Paragraph 86, National Planning Policy Framework, December 2023

<sup>28</sup> Paragraph 67, National Planning Policy Framework, December 2023

## 5. AFFORDABLE HOUSING NEED AND PAST DELIVERY ANALYSIS

### Introduction

- 5.1 Affordable housing need has become acute across the country as the affordability of housing has worsened over the past two decades. The House of Lords report 'Meeting Housing Demand' identifies *"there were 1,187,641 households on local authority housing waiting lists in 2021"* and *"as of March 2021, 95,450 families had been placed into temporary accommodation by local authorities."*<sup>29</sup>
- 5.2 Research for the National Housing Federation and Crisis in 2018 identified a need for 145,000 new affordable homes per year, of which 90,000 for the next 15 years should be for social rent, 30,000 for affordable rent and 25,000 shared ownership homes.<sup>30</sup>
- 5.3 However despite this need the House of Lords report states, *"There has been a steady decline in social rent as a proportion of new supply, from over 75% in 1991/92 to 11% in 2019/20. In 50 local authorities, **no homes for social rent were built over the five-year period from 2015/16 to 2019/20"***<sup>31</sup> (our emphasis).
- 5.4 To put this into context, only 59,356 new affordable homes were delivered across England in 2021/22, approximately 25.5% of all net completions (232,816). However this a gross affordable delivery figure and the Government's statistics show a loss of 27,689 affordable dwellings in 2021/22 to demolitions and sales. Net affordable completions were therefore only 31,667 (i.e., 13.6% of all net completions).
- 5.5 This has led the House of Lords report to conclude on this issue with the following two points:
- There is a serious shortage of social housing, which is reflected in long waiting lists for social homes and a large number of families housed in temporary accommodation. The Government should set out what proportion of funding for the Affordable Homes Programme it believes should be spent on homes for social or affordable rent;
  - Right to Buy has left some councils unable to replace their social housing stock. Right to Buy must be reformed to help councils replenish their social housing stock: councils should keep more of the receipts from Right to Buy sales, have a longer period to spend the receipts, and there should be tighter restrictions on the conditions under which social homes can be bought.<sup>32</sup>

<sup>29</sup> Paragraph 69, page 36, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

<sup>30</sup> Professor Glen Bramley, Crisis and National Housing Federation Housing supply requirements across Great Britain (November 2018)

<sup>31</sup> Paragraph 65, page 33, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

<sup>32</sup> Paragraphs 76-77, pages 37-38, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

5.6 In this section of the report we consider the affordable housing position in the authorities of Rugby.

### **Affordable Housing Need in Rugby**

5.7 At the outset, Marrons Planning do not advocate that affordable need necessarily be met in full, given the judgment of Mr Justice Dove in the Kings Lynn case (High Court Judgment)<sup>33</sup>, which concluded that neither the NPPF nor the PPG suggest affordable housing need must be met in full.

5.8 However, the need should be considered in the context of PPG which states “An **increase** in the total housing figures included in the plan **may need to be considered** where it could help deliver the required number of affordable homes”<sup>34</sup> (our emphasis).

5.9 This should be considered in the context of the Draft Plan for Rugby which states “the evidence shows considerable need for affordable housing, particularly in the social or affordable rented tenures (together making up 82% of affordable housing need). It will be important for the new plan to **maximise** the number of new affordable homes that are built.”<sup>35</sup> (Our emphasis)

5.10 The most recent assessment of affordable housing need for Rugby is set out in the 2022 HEDNA which determines net affordable housing need of 407 affordable dwellings per annum (dpa) from 2021 onwards.

5.11 In this context the HEDNA states the following:

**“The analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the six authorities. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. As noted previously, the evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.”**<sup>36</sup> (Our emphasis).

5.12 The Adopted Local Plan 2011-2031 (October 2019) was based on affordable need from the ‘Coventry

<sup>33</sup> Paragraphs 34-37, pages 10-11, High Court Judgment, Borough Council of Kings Lynn and West Norfolk v Secretary of State for Communities and Local Government, ELM Park Holdings Ltd, 09 July 2015

<sup>34</sup> Paragraph: 024 Reference ID: 2a-024-20190220

<sup>35</sup> Paragraph 9.27, page 53, Rugby Borough Local Plan Issues and Options, October 2023

<sup>36</sup> Page 14, Housing and Economic Development Needs Assessment, October 2020

and Warwickshire Joint Strategic Housing Market Assessment update September 2015' which identified affordable housing need of 171 dwellings per annum.<sup>37</sup>

### Past affordable housing delivery in Rugby

5.13 Table 5.1 sets out the affordable housing delivery achieved across Rugby in the last decade, according to Rugby Borough Council (RBC) Annual Monitoring Reports (AMRs) and as recorded by the Department for Levelling Up, Housing & Communities (DLUHC) live tables on affordable housing supply statistics. These are **gross** completions and do not account for losses to affordable stock through demolitions and schemes such as Right to Buy.

**Table 5.1: Gross affordable housing completions in Rugby, 2012/13 to 2021/22**

Year	Affordable Completions	AMR Overall Completions	Affordable delivery as a % of overall delivery
2011/12	80	328	24.3%
2012/13	92	334	27.5%
2013/14	97	430	22.6%
2014/15	129	425	30.0%
2015/16	46	534	8.6%
2016/17	3	381	0.8%
2017/18	40	578	6.9%
2018/19	143	939	15.2%
2019/20	258	859	30.4%
2020/21	233	832	28.0%
2021/22	125	939	13.0%
2022/23	212	1,349	16.0%
<b>Total Delivery</b>	<b>1,458</b>	<b>7,928</b>	<b>18.4%</b>

Source: DLUHC Live Table 1008c and Annual Monitoring Reports

5.14 Table 5.1 also shows how affordable housing delivery over the first 12 years of the Adopted RBC Local Plan 2011-2031 period has been 18.4% of all housing delivered in the Borough.

5.15 Affordable delivery has therefore averaged 122 dwellings per annum against the Plan's need for 171 dwellings per annum up to 2021, and the 2022 HEDNA's need of 407 per annum in 2021/22 and 2022/23. This means total need was 2,524 affordable dwellings 2011/12 to 2022/23 and delivery (1,458 affordable dwellings) has only been 58% of all need.

<sup>37</sup> Paragraph 5.14, page 42, Rugby Borough Council Local Plan 2011-2031, October 2019



5.16 It is important to emphasise though how this is based on **gross** delivery of affordable housing.

### Net Affordable Housing Delivery in Rugby

5.17 To determine whether net affordable delivery is lower than the proportions set out above, we have consulted the Department for Levelling Up, Housing and Communities (DLUHC) live tables on social housing sales, and specifically the 'social housing sales open data'. This data is set out in Table 5.2.

**Table 5.2: DLUHC figures on the disposal of social housing stock in Rugby Borough**

Type of Loss	2011 -12	2012 -13	2013 -14	2014 -15	2015 -16	2016 -17	2017 -18	2018 -19	2019 -20	2020 -21	2021 -22	Grand Total
Demolition	0	0	38	1	6	0	n/a	0	0	0	n/a	45
LCHO Sales	2	1	5	10	26	7	13	13	13	12	17	119
Other Sales	0	1	0	4	13	0	10	2	11	1	0	42
Other sales to sitting tenants	0	0	0	0	0	0	0	0	0	0	0	0
Right to Buy	7	17	22	34	35	26	25	20	24	19	37	266
Sales to sitting tenants	0		0	3	3	0	3	1	29	2	2	43
<b>Grand Total</b>	<b>9</b>	<b>19</b>	<b>65</b>	<b>52</b>	<b>83</b>	<b>33</b>	<b>51</b>	<b>36</b>	<b>77</b>	<b>34</b>	<b>56</b>	<b>515</b>

Source: DLUHC live tables

5.18 Table 5.2 shows that there have been **515 affordable stock losses** in Rugby between 2011/12 and 2021/22 for the reasons set out in the first column of Table 5.2. This means that net affordable completions in Rugby fall to at least 943 dwellings 2011-2023 (at least because stock losses have not been published yet for 2022/23).

5.19 Table 5.3 therefore shows a revised version of Table 5.1 to account for losses to stock, thereby providing the net figures of affordable delivery.

**Table 5.3: Net affordable housing completions in Rugby Borough, 2011/12 to 2021/22**

Year	Gross Affordable Completions	Losses to stock	Net affordable completions	AMR Overall Completions	Affordable delivery as a % of overall delivery
2011/12	80	9	71	328	21.6%
2012/13	92	19	73	334	21.9%
2013/14	97	65	32	430	7.4%
2014/15	129	52	77	425	18.1%
2015/16	46	83	-37	534	-6.9%
2016/17	3	33	-30	381	-7.9%
2017/18	40	51	-11	578	-1.9%
2018/19	143	36	107	939	11.4%
2019/20	258	77	181	859	21.1%
2020/21	233	34	199	832	23.9%
2021/22	125	56	69	939	7.3%
2022/23	212	n/a	n/a	1,349	n/a
<b>Total Delivery</b>	<b>1,458</b>	<b>515</b>	<b>943</b>	<b>7,928</b>	<b>11.9%</b>

Source: DLUHC Live Table 1008c and Annual Monitoring Reports

5.20 As Table 5.3 illustrates, the inclusion of losses to stock since the start of the Adopted Plan period (2011) show how **net** affordable completions have only been 11.9% of overall net completions. This means the shortfall against need (171 dpa 2011-2020, and 407 dpa 2021-22) has 63% since the start of the Plan period.

### Overall Housing Need and Affordable Housing

5.21 The analysis set out above should be considered in the context of the housing targets put forward in the Draft Plan.

5.22 As the analysis has shown, **gross** affordable completions have been 18.4% of all completions in Rugby over the past decade, and **net** affordable completions have only been 11.9%.

5.23 If delivery were to continue at this rate, overall housing need would increase significantly from what is proposed in the Draft Plan to deliver the 2022 HEDNA's conclusion on net affordable need for Rugby (407 dpa).

**Table 5.4: Overall housing need required to meet affordable housing need (407 dpa) in full based on gross and net affordable housing delivery 2011-2023**

LPA	Gross Affordable Delivery as a % of overall completions	Overall Housing Need to meet Affordable need in full (per annum)	Net Affordable Delivery as a % of overall completions	Overall Housing Need to meet Affordable in full (per annum)
Rugby Borough	18.4%	2,212	11.9%	3,420

- 5.24 As Table 5.4 illustrates, overall housing need in Rugby would be between 2,212 and 3,420 dwellings per annum in order for affordable housing need to be met in full.
- 5.25 Even if half of the need determined by the HEDNA were to be met, overall need would be between 1,106 and 1,710 dpa, both of which exceed the need determined in the HEDNA (735 dpa) and the revised figure being taken forward in the Draft Plan (672 dpa).
- 5.26 The overall housing supply necessary to deliver affordable housing need in full is therefore unrealistic but what this exercise does is highlight the *acute* affordable housing shortage and need across Rugby.
- 5.27 In the context of Planning Practice Guidance which states how “*An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes*”<sup>38</sup> it is considered that Rugby should consider whether the housing requirement can be increased to deliver more affordable housing.

### Numbers of households on waiting lists

- 5.28 The number of households on local authority waiting lists can also provide context for the affordable need in an area, and we present the data for Rugby in Table 5.5.

**Table 5.5: Rugby housing waiting list**

LPA	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Rugby</b>	734	701	721	881	1,092	1,062	394	448	646	646

Source: DLUHC, Live Table 600

- 5.29 As Table 5.5 illustrates, the waiting list increased steadily to 2019 before falling quite dramatically. However it has almost doubled again between 2020 and 2023 indicating that enough affordable housing isn't being delivered and more households are falling into need.

<sup>38</sup> Paragraph: 024 Reference ID: 2a-024-20190220

## Affordable Housing Summary

5.30 In summary, the key points to note from our analysis are as follows:

- Net affordable housing provision 2011-2023 in Rugby has only been 11.9% of all net housing delivery;
- This means that net affordable delivery 2011-2023 totalled 943 affordable dwellings (79 per annum on average) against a need of 2,524 affordable dwellings (210 per annum on average);
- Delivery has therefore only been 37% of all need – it is important to note how this was based on affordable need of 171 dpa 2011-2021. Need has increased significantly to 407 affordable dpa in the 2022 HEDNA from 2021 onwards;
- Overall housing need in Rugby would be 3,420 dpa to meet the 2022 HEDNA's affordable need (407 affordable dpa) if past net delivery of 11.9% was achieved moving forward;
- Even to meet 50% of the affordable need, overall housing need would be 1,710 dpa;
- These figures are significantly higher than the need being taken forward in the Draft Plan (672 dpa) or the HEDNA's conclusion (735 dpa);
- The Council housing waiting list has nearly doubled since 2020, indicating a rapidly growing level of affordable need.

5.31 This section has highlighted the significant need for affordable housing across Rugby.

5.32 The analysis has shown how the 2022 HEDNA's overall housing need figure (735 dpa) would have to **more than quadruple** in Rugby to deliver the 2022 HEDNA's affordable need figure (407 affordable dpa) in full if the historic rate of net affordable delivery (11.9%) between 2011 and 2023 continues.

5.33 As we have set out at the beginning of this section we do not advocate that the housing *requirement* be increased to unrealistic levels to meet affordable housing need in full. However, the assessment of need should be unconstrained and as the assessment we have provided shows, the *requirement* should be increased as much as possible to meet the acute affordable need, in the context of the PPG which states “An **increase** in the total housing figures included in the plan **may need to be considered** where it could help deliver the required number of affordable homes” <sup>39</sup> (our emphasis).

<sup>39</sup> Paragraph: 024 Reference ID: 2a-024-20190220



## 6. COVENTRY'S UNMET HOUSING NEED

### Introduction and context

- 6.1 The most recent version of the draft Coventry Local Plan Regulation 18: Issues and options consultation (July 2023) is based on the Council's view that unconstrained housing need is 29,100 homes 2021-2041 for the city (1,455 dwellings per annum – dpa).<sup>40</sup>
- 6.2 Marrons socio-economics team presented evidence to the Coventry consultation referred to above in respect of housing need, indicating that true unconstrained housing need exceeded the Council's conclusions.
- 6.3 Furthermore the 2022 HEDNA prepared for the Coventry & Warwickshire Housing Market Area (C&WHMA) authorities concluded on need being 39,280 dwellings over the same period (1,964 dpa) which Marrons consider to represent minimum need. This uses the same approach which reaches 735 dpa in Rugby.
- 6.4 However the draft Coventry Local Plan indicates that the city will be unable to meet its need, even at the lower figure of 1,455 dpa put forward by the Council. Draft Policy H1 of the Coventry Plan states, *"Once we have determined what figure we think sets an appropriate strategic need we need to look at what can realistically be delivered within Coventry's administrative area."* The Plan then moves on to state how supply from 2021-2041 was 25,158 dwellings 2021-2041 as of 31<sup>st</sup> March 2023, equating to 1,258 dpa.<sup>41</sup>
- 6.5 This would mean a shortfall of 3,942 dwellings 2021-2041 against the need promoted by the Council in the Draft Plan, and a shortfall of 14,122 dwellings against the recommendations of the 2022 HEDNA – a figure which Marrons consider to represent minimum housing need for Coventry.
- 6.6 This higher figure is more in line with the unmet need (at least 17,800 homes 2011-2031) determined through the adopted Coventry Local Plan (December 2017).<sup>42</sup>
- 6.7 In this context it should be noted how the Planning Practice Guidance (PPG) for Housing and Economic Needs Assessment (HENA) states how *"situations where increases in housing need are likely to exceed past trends"* include *"an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground"*.

<sup>40</sup> Table 1, page 12, Coventry Local Plan Review Regulation 18: Issues and options consultation, July 2023

<sup>41</sup> Policy H1, page 23, Coventry Local Plan Review Regulation 18: Issues and options consultation, July 2023

<sup>42</sup> Page 11, Coventry City Local Plan, Adopted 6 December 2017

6.8 The revised December 2023 NPPF has also introduced some text on this subject, stating the following: *Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. The requirement may be higher than the identified housing need, if it includes provision for neighbouring areas, or reflects growth ambitions linked to economic development or infrastructure investment.*"<sup>43</sup>

6.9 It is therefore considered appropriate to analyse the extent of Rugby's responsibility to deliver it.

### The extent of unmet housing need in Coventry

6.10 As we have set out above, Marrons consider the unmet need in Coventry to be a minimum of 14,122 dwellings 2021-2041 although the true figure is probably significantly higher than this based on our evidence submitted to the draft Coventry Plan in 2023.

6.11 The links between Coventry and Rugby are clear in so far that the 2022 HEDNA incorporates Rugby in the Housing Market Area (HMA) and they are both considered to be part of the same Functional Economic Market Area (FEMA) and have done for many years.

6.12 In this context Table 6.1 sets out the number of in-migrants from Coventry to the other authorities of the HMA (North Warwickshire, Nuneaton & Bedworth, Rugby, Stratford-on-Avon, and Warwick) in the three years prior to the COVID-19 pandemic. It should be noted that the 2020 figure will be suppressed, as it is a mid-2020 figure which incorporated the first lockdown.

**Table 6.1: In-migration from Coventry, 2017/18-2019/2020**

LPA	2018	2019	2020	Total
Warwick	3,962	3,904	3,649	11,515
Nuneaton & Bedworth	1,698	2,098	1,676	5,472
Rugby	853	1,027	997	2,876
Stratford-on-Avon	354	403	398	1,155
North Warwickshire	317	277	249	843
<b>Total</b>	<b>7,184</b>	<b>7,709</b>	<b>6,969</b>	<b>21,861</b>

Source: ONS

6.13 Table 6.1 shows the total number of people which have moved from Coventry to the five authorities of the HMA.

<sup>43</sup> Paragraph 67, NPPF, 2021

- 6.14 It shows how nearly 22,000 people moved from Coventry to the five HMA authorities in the three years to mid-2020. Movements from Bristol to the five authorities accounted for over 30% of all those leaving Coventry to other parts of the United Kingdom.
- 6.15 From this overall figure 2,876 people moved to Rugby in the three years to mid-2020. This was *lower* than moves to Warwick and Nuneaton & Bedworth, but *higher* than moves to Stratford-on-Avon and North Warwickshire.
- 6.16 This analysis therefore shows the significant responsibility placed on the five authorities to provide for the unmet need coming from Coventry.
- 6.17 As Paragraphs 11 and 67 of the NPPF, and PPG states, this unmet need should be taken account of in considering unconstrained housing need for Rugby.
- 6.18 Further analysis set out in Table 6.2 shows that 42% of the total migration to the five authorities has been in households with dependent children (0-17 years) and the 25-44 age group, those most likely to be first-time buyers.

**Table 6.2: In-migration of age groups 0-17 (dependent children) and 25-44 (most likely to be first-time buyers) from Coventry, 2017/18-2019/2020**

LPA	2018	2019	2020	Total
Nuneaton & Bedworth	1,169	1,381	1,152	3,702
Warwick	742	822	820	2,384
Rugby	549	668	668	1,885
Stratford-on-Avon	222	238	230	689
North Warwickshire	194	159	130	483
<b>Total</b>	<b>2,876</b>	<b>3,268</b>	<b>3,000</b>	<b>9,143</b>

Source: ONS

- 6.19 In Rugby, 1,885 (66%) of the 2,876 migrants 2018-2020 have been in the age groups shown above in Table 5.2, indicating how Rugby is an area sought after by young families and first time buyers (25-44 age group).
- 6.20 Of all moves out of Coventry to the rest of the UK in this age group, 31% were to the five authorities set out in Table 6.2.



- 6.21 Rugby is clearly influenced by migration out of Coventry, the majority of which is in the first-time buyers/young families' age groups. This will have created extra pressure on the housing market in Rugby, fuelling demand and driving up house prices.
- 6.22 Rugby should be considering how this factor affects housing need in its administrative area and how they can respond to the demand.

### **Summary**

- 6.23 In summary, Rugby Borough Council has a responsibility to assist in addressing Coventry's significant unmet housing need alongside the other local authorities of the Coventry & Warwickshire Housing Market Area, and this should come into the consideration of unconstrained housing need in line with NPPF and PPG.
- 6.24 The five local authorities of the HMA experienced significant in-migration from Coventry, amounting to approximately 22,000 people of all ages over the three year period prior to the Covid-19 pandemic (2018-2020).
- 6.25 The vast majority of in-migration in Rugby is from the first-time buyers and young families' age group, with these age groups making up approximately 66% of in-migration to Rugby compared to only 42% across the five authorities of the HMA. This is the age group which find it hardest to access the housing market due to spiralling affordability.
- 6.26 This significant in-migration from Coventry has the potential to 'push' people out of Rugby to other more affordable areas as affordability worsens, and Rugby must consider increasing their assessment of housing need to account for this impact.

## 7. SUMMARY, CONCLUSIONS, AND WAY FORWARD

- 7.1 This report has considered what unconstrained housing need is for Rugby Borough Council (RBC).
- 7.2 The assessment is made in the context of the assessment of housing need presented in the Coventry & Warwickshire Housing and Economic Development Needs Assessment (HEDNA) published in November 2022, and responds to the consultation of the Rugby Borough Local Plan Issues and Options: October 2023 (the Draft Plan).
- 7.3 Planning Practice Guidance (PPG) is clear that the assessment of housing need should be unconstrained and undertaken before and separately to establishing a housing requirement figure.
- 7.4 The Draft Plan has concluded that unconstrained housing need for RBC is 672 dwellings per annum (dpa). This figure exceeds the NPPF's standard method for calculating minimum housing need (506 dpa) but is lower than the 2022 HEDNA's conclusion (735 dpa).
- 7.5 Marrons support the higher housing need figures determined by the 2022 HEDNA which take into account the recent 2021 Census population data, revealing that population growth in RBC, alongside some of the other Coventry & Warwickshire Housing Market Area (HMA), has exceeded the assumptions of the 2014-based ONS Sub National Population Projections which underpin the calculation of standard method.
- 7.6 The December 2023 NPPF states how the standard method is an “*advisory starting point*” for assessing housing need. Notwithstanding this the NPPF also states how “*there may be exceptional circumstances, including relating to the particular demographic characteristics of an area which justify an alternative approach to assessing housing need*”.
- 7.7 However the supporting PPG is clear that the standard method represents minimum housing need, and a range of circumstances can lead to unconstrained housing need being higher.
- 7.8 The test of a housing need figure which is *higher* than standard method is more lenient than one which is *lower* than standard method. PPG states the following in respect of a higher figure; “*if it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum*”.

*starting point.* <sup>44</sup>

- 7.9 In contrast, PPG states that ‘exceptional circumstances’ have to be shown to justify a housing need figure which is lower than the standard method minimum. This test has been maintained in the most recent December 2023 National Planning Policy Framework (NPPF) despite the standard method calculation of need becoming advisory.
- 7.10 Whilst we support the approach to determining the housing need figure set out in the HEDNA, we have some concerns with the approach of the HEDNA, and there are other factors which we consider to mean that unconstrained housing need would exceed the HEDNA’s conclusion of 735 dpa.
- 7.11 The key points to note in this context are as follows:

#### Economic Growth and Housing Need

- The NPPF states how *“planning policies should seek to address potential barriers to investment, such as inadequate housing”*<sup>45</sup> and also states how the housing requirement *“may be higher than the identified housing need if, for example, it includes provision for neighbouring areas, or reflects growth ambitions linked to economic development”* <sup>46</sup>;
- The 2022 HEDNA concludes that 735 dpa would accommodate economic growth in Rugby;
- Marrons agree with the demographic modelling assumptions used to calculate economic-led housing need in the 2022 HEDNA with the exception of the job growth forecast used;
- Marrons consider the job growth assumptions of the HEDNA need updating for several reasons;
  - The 2022 HEDNA’s Cambridge Econometrics (CE) job forecast is outdated (March 2021) and was generated during strict COVID-19 lockdown measures in the UK;
  - Assumed GDP informing the HEDNA’s job growth forecasts has now been shown to be an underestimate of growth by the Office for National Statistics;
  - The higher GDP for 2021 and 2022 indicates job growth forecasts would be higher than those used by the HEDNA;
  - CE are a robust source of job forecasts but a more recent forecast should be used;
  - Furthermore, historic job growth experienced in Rugby (875 jobs 2011-2019)

<sup>44</sup> Paragraph ID:2a-015, PPG, 2019

<sup>45</sup> Paragraph 86 (c), National Planning Policy Framework, December 2023

<sup>46</sup> Paragraph 67, National Planning Policy Framework, December 2023

was 140% higher than the CE forecast (365 jobs per annum) used to calculate economic-led housing need in the HEDNA;

- It is unclear from the HEDNA whether future employment sites are taken account of in determining employment forecasts;
- The Council should consider job growth forecasts from Oxford Economics and Experian Economics alongside those from CE.

### Affordable Housing Need

- PPG states “An *increase* in the total housing figures included in the plan *may need to be considered* where it could help deliver the required number of affordable homes”<sup>47</sup>;
- The 2022 HEDNA has described affordable housing need across Rugby and the wider HMA as “notable” and “an important and pressing issue”;
- Net affordable housing provision 2011-2023 in Rugby has been 11.9% of overall delivery;
- There has been a shortfall of 1,581 affordable dwellings 2011-2023 against need;
- Delivery has therefore only been 37% of need over this period;
- The housing waiting list for Rugby has nearly doubled in the past three years;
- Overall housing need in Rugby would be 3,420 dpa to meet the 2022 HEDNA’s affordable need (407 affordable dpa) if past net delivery of 11.9% was achieved moving forward;
- Even to meet 50% of the affordable need, overall housing need would be 1,710 dpa;
- These figures are significantly higher than the need being taken forward in the Draft Plan (672 dpa) or the HEDNA’s conclusion (735 dpa).

### Unmet Need from Coventry

- Rugby lies within a Housing Market Area (HMA) and Functional Economic Market Area (FEMA) which includes Coventry;
- Coventry is unable to meet its housing need, as determined in its adopted Local Plan when a shortfall of at least 17,800 homes 2011-2031 was calculated;
- Coventry are currently reviewing their Local Plan and Marrons consider unmet need is at least 14,122 dwellings 2021-2041;
- Alongside the other local authorities of the HMA, Rugby has a responsibility to assist in delivering the unmet need of Coventry and both the NPPF and PPG state that unmet needs from neighbouring authorities should be considered in the determination of housing need;

<sup>47</sup> Paragraph: 024 Reference ID: 2a-024-20190220

- In this context the number of migrants from Coventry to Rugby was the third highest of the five HMA local authorities in the three years prior to the Covid pandemic (2017-2020);
- A total of 2,876 moved from Coventry to Rugby, nearly 1,000 people per annum;
- 1,885 of these migrants (66%) were in the age groups most likely to be families, significantly higher than the HMA average of 42%, indicating the popularity of Rugby to people of that age;
- This high level of movement indicates how need has to be increased to account for Coventry's unmet need.

7.12 In conclusion, the 2022 HEDNA provides robust justification for increasing the NPPF's standard method calculation of **minimum** housing need in Rugby to 735 dwellings per annum.

7.13 However, our analysis concludes that updates to the 2022 HEDNA's assessment of economic-led housing need are required to provide an up-to-date and fully robust unconstrained assessment of housing need. This has the potential to show need which exceeds overall housing need determined by the 2022 HEDNA.

7.14 Furthermore our analysis of affordable housing need shows how there would need to be significant increases to the overall housing need figures put forward by the 2022 HEDNA in order to make up the shortfall in affordable housing delivery in Rugby, to accommodate the 2022 HEDNA's calculation of affordable housing need in Rugby, and to address the recent increase in the Council's housing waiting list.

7.15 The unmet housing need from Coventry should also be considered in the calculation of need, in line with the December 2023 revisions to the NPPF, and the supporting PPG.